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Court Gives Formal Approval to ADEQ, EPA Agreement with Asarco to Clean Up Contamination in Hayden, Winkelman

PHOENIX (June 19, 2008) – Arizona Department of Environmental Quality Director Steve Owens announced today that the agreement between the state of Arizona and U.S. Environmental Protection Agency with Asarco LLC to clean up contamination from the company's mining activities in Hayden and Winkelman has received formal approval by the U.S. Bankruptcy Court in Texas overseeing Asarco's bankruptcy proceedings.

Under terms of the agreement, which was signed by ADEQ, EPA and Asarco in mid-April, Asarco will spend \$13.5 million to clean up contaminated soils from residential areas in the towns with high levels of arsenic, copper or lead. Asarco also will reimburse ADEQ and EPA for oversight activities related to the cleanup.

Although Asarco already has begun some of the cleanup work, the agreement had to receive formal approval from the Bankruptcy Court and was subject to a public notice process by the U.S. Department of Justice before it could become final. On May 27, the court issued an order giving its approval to the agreement, subject to the conclusion of the DOJ public notice period. Last week, the Department of Justice announced that the comment period had ended and that the agreement was now officially binding on all parties.

"This is another piece of good news for Hayden and Winkelman," Director Owens said. "Although it took some time to jump through all the legal hoops, there was never any doubt that this agreement would be approved. This is a strong agreement that will help ensure that the contamination in Hayden and Winkelman is cleaned up at long last."

Asarco also will complete a full remedial investigation of residential and public areas in Hayden and Winkelman and of Asarco operations to identify releases of hazardous substances and remove them. The company also must prepare a community relations plan under direction of ADEQ and EPA and use a qualified community group to hire independent technical advisors to analyze Asarco's work.

In June 2007, EPA announced that it wanted to place the Asarco Hayden plant site on the National Priorities List, the federal Superfund list. Gov. Janet Napolitano asked EPA to defer the listing pending outcome of the discussion among ADEQ, EPA and Asarco to have Asarco clean up the site itself rather than have it listed on the NPL. The clean-up agreement between ADEQ, EPA and Asarco is the result of the negotiations instituted by Governor Napolitano.